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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

DELPHI CORPORATION, et al.

Case Nos. 05-44481 (RDD)
Jointly Administered

Debtors.

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**OBJECTIONS OF USW TO DEBTORS' SECOND SUPPLEMENT
TO KECP MOTION SEEKING AUTHORITY TO CONTINUE
AIP FOR FIRST HALF OF 2007**

The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers, International Union (USW), AFL-CIO (the "USW" or "United Steelworkers") submits these objections to the Debtors' Second Supplement to KECP Motion (Docket No. 213) Seeking Authority to Continue AIP for First Half of 2007 dated March 12, 2007 (the "Second Supplement Motion").

1. The USW filed its initial objections to the KECP Motion on or about November 22, 2005. It subsequently filed objections to the Debtors' supplement to the initial KECP Motion on or about July 12, 2006.
2. The USW restates the objections it set forth in November 2005 and July 2006 and incorporates herein by reference the arguments that it has previously made (except, of course, to the extent that the USW's prior objections addressed the

emergence portion of the KECP, which the Debtors have placed on hold for the time being).

3. The USW can only marvel at the lack of progress in those aspects of this case which affect the workers and retirees that Steelworkers represent, men and women who have devoted so much time and energy to the success of this company for so many years.
4. Although the USW negotiated an attrition program last year pursuant to which the Debtors would meet their business goals at the Steelworkers plants, and although the Debtors have obtained authorization to enter into attrition programs with other labor organizations, the attrition program for USW-represented employees has been stalled for many months since that time.
5. As the Debtors have continued to pursue the transformation of their "footprint" - most recently by proposing to sell the brake hose business located at the Home Avenue plant in Dayton, Ohio - the USW has pressed for meetings to discuss the impact on its members. The Debtors have been extremely slow to respond, declining to meet at all until last week; even those belated discussions were completely inconclusive.
6. Although at one point in this case the USW was optimistic that its contributions to the Debtors' long-term success had been agreed upon and recognized, the union is now concerned that all of its forward movement has led to a large brick wall.
7. The United Steelworkers is a democratic organization and its members are entitled to vote on any changes to their terms and conditions of employment. Their support is contingent on their belief that the Debtors have addressed their

concerns and interests in good faith. Management's failure to move this process forward, while rushing to reward itself with millions of extra dollars at the same time, severely undermines the USW's ability to get a consensual resolution ratified by the membership and is thus inconsistent with the Debtors' obligations under the Code.

8. The Debtors' focus must be on reaching a consensual resolution and anything which impels the case towards the looming brick wall must be avoided.
9. Consequently, it would be counterproductive and inappropriate to permit top executives to reward themselves with millions of dollars in additional "incentive" payments while the rank and file members remain in limbo about their future.

Dated: March 19, 2007

MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

By: /s/ LOWELL PETERSON
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